



1ST INTERIM

Miller Creek School District Board Meeting December 13th, 2022

State Budget Cycle



- **January**
 - Governor's proposed budget for budget year
- **February**
 - Legislative Analyst review with comments
- **April**
 - Statutory COLA recalculated
- **May**
 - "May Revise" reflects tax adjustments
- **June 15 (or later)**
 - Final adopted State budget
 - COLAs, "gap" funding
 - Potential additional programs, or funding changes
- **November**
 - Legislative Analyst Report (LAO Report)
 - Projections for next year based on tax collections and economic predictors
- **January**
 - Governor's proposed budget for next budget year...



Objective of Interim Reports

- The First Interim is as of October 31st for actuals
- Projects financial activity through June 30th
- Contains: Detailed projection for current year + Multi-Year Projections

- Board must approve certification of financial condition (per AB 1200)
 - ✓ Positive: Able to meet financial obligations for the current and two subsequent fiscal years
 - Qualified: May not be able to meet its financial obligations for the current fiscal year or two subsequent fiscal years
 - Negative: Unable to meet its financial obligations for the current fiscal year or two subsequent fiscal years

Basic Aid or not Basic Aid?

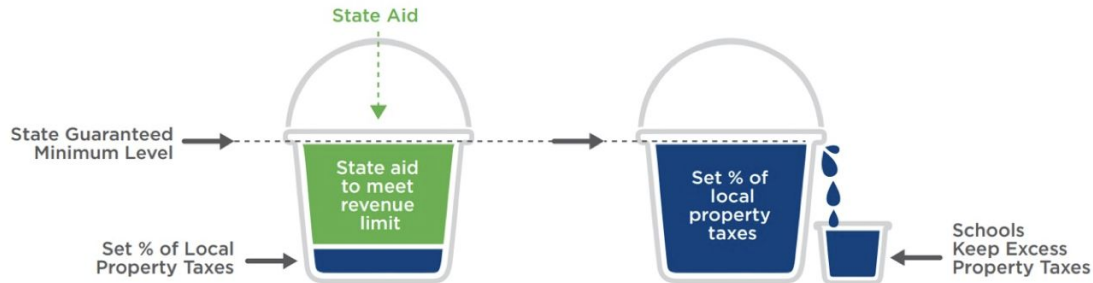
That is the question ...

State Funded, Non Basic Aid

- ▶ District is entitled to a calculated Entitlement
 - ▶ Comprised of property taxes and State Aid
 - ▶ When property taxes don't fill the bucket, the State makes up the shortfall with State Aid

Community Funded, Basic Aid

- ▶ District is entitled to a calculated Entitlement
 - ▶ Comprised of property taxes and State Aid
 - ▶ If Property taxes fill the bucket, and overflow, the district keeps the overflow \$\$ and doesn't need State Aid



LCFF 101 - Part 2

	2021-2022	2022-2023 (45 days Revise)	Growth
Enrollment	1,789	1,779	-0.6%
Attendance Ratio	94.7%	93.4%	
Current Year ADA	1,695	1,661	-2.0%
Most advantageous ADA method	2019-2020 ADA COVID Hold Harmless	3 previous years average	-
Funded ADA	1,968	1,891	-3.9%

	2021-2022	2022-2023 (45 days Revise)	Growth
Funded ADA	1,968	1,891	-3.9%
Base Funding (Average across grades)	\$8,218	\$9,275	<u>+12.9%</u>
TK-3 Grade Span Additional Funding	\$842	\$950	<u>+12.9%</u>
Supplemental (Based on UPP)	\$363	\$423	+16.5%
ENTITLEMENT PART 1	\$17,587,000	\$19,100,000	+8.6%

COLA

	2021-2022	2022-2023 (45 days Revise)	Growth
ENTITLEMENT PART 1	\$17,587,000	\$19,100,000	+8.6%
Home to School Transportation + Economic Recover Target (old)	\$363,000	\$363,000	-
TK (new)			+100%
TOTAL ENTITLEMENT	\$17,950,000	\$19,559,000	+9.0%
Community Based Extra Funding (Property Tax in excess of Entitlement)	\$773,000		-100%
LCFF REVENUE	\$18,723,000	\$19,559,000	+4.5%

Correction from November 8th presentation!!

Extra Funding in 2021-22 was:

- \$380,000 in Excess Property Tax
 - \$393,000 in EPA in excess of LCFF
- = total of \$773,000

Basic Aid or not Basic Aid?

Not all submissions have the same answer ...



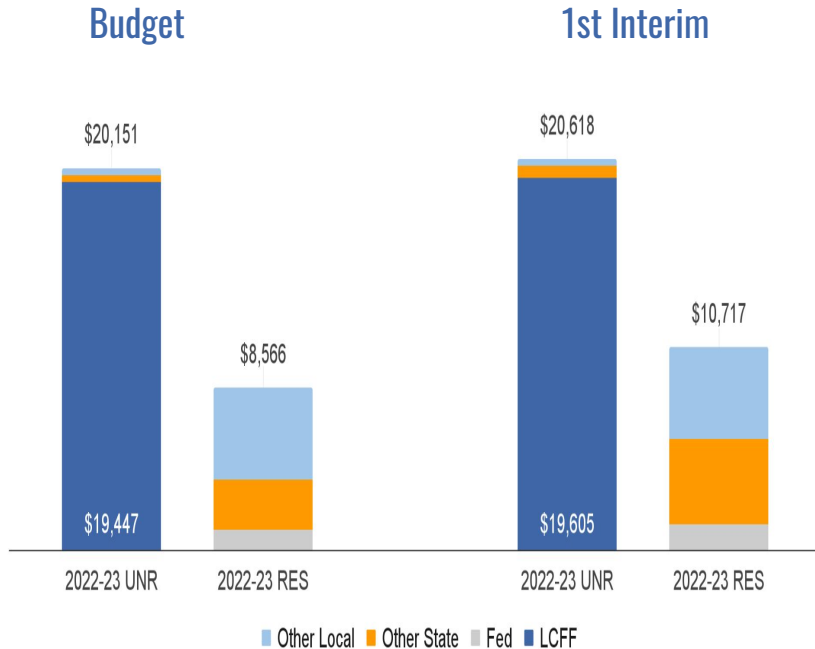
State Funded,
Non Basic Aid

Community Funded,
Basic Aid

	2021-22	2022-23	2023-24	2024-25
2022-23 Budget Adoption		\$ 19,413	\$ 20,121	\$ 20,676
2022-23 45 days revise		\$ 19,559	\$ 20,902	\$ 20,811
2022-23 1st Interim - DOF COLA	\$ 18,728	\$ 19,605	\$ 20,407	\$ 21,220
FYI 2022-23 1st Interim Default setting : LOA COLA		\$ 19,605	\$ 20,510	\$ 20,875

2022-23 Revenue

1st Interim very close to 45 days revision



General Fund only - UNR (Unrestricted) and RES (Restricted)
 Total above the column is for the entire column
 Amount indicated in white refers to LCFF Revenue only

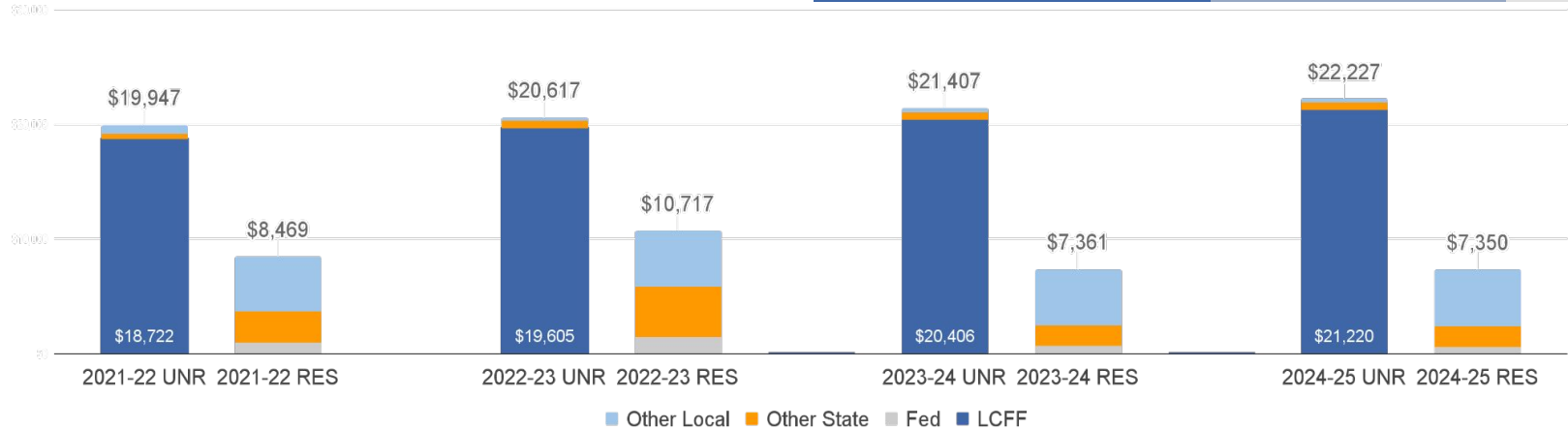
LCFF

- COLA up from 6.56% to 13.26% (12.84%)
- Funded ADA up from 1,703 to 1,887 (1,890)
- Plus new TK for \$96K
- LCFF Entitlement per ADA up from \$9,765 to \$10,386
- Flipping from Community Funded to State Funded
- NET IMPACT = +\$158k

OTHERS

- Federal revenues (mainly categoricals) remain relatively constant.
- Other State include One time resources:
 - Arts&Music&Instr Block Grant \$1,115K
 - Learning Recovery \$849K
- Other Local include:
 - Parcel Tax \$2,875K
 - CanDo! \$669K

MYP Revenue Projection



Property Tax	6.26%	5.24%	4.41%	4.41%
COLA	5.07%	6.56% + 6.70%	5.38%	4.02%
Actual ADA *	1,730.5	1,757.1	1,745.0	1,755.5
Funded ADA	1,967.7	1,887.6	1,817.6	1,755.5
Method	Prior	3-PY average	3-PY average	Current (CLIFF)
Increase YOY	-	+4.7%	+4.1%	+4.0%
Includes One-time	\$1.2M	\$2.8M	\$0.2M	-

Actual ADA follow the Low-Low demographic projections from King Consulting presented to Board on October 11th, 2022. Conservative demographic growth + Conservative housing development impact

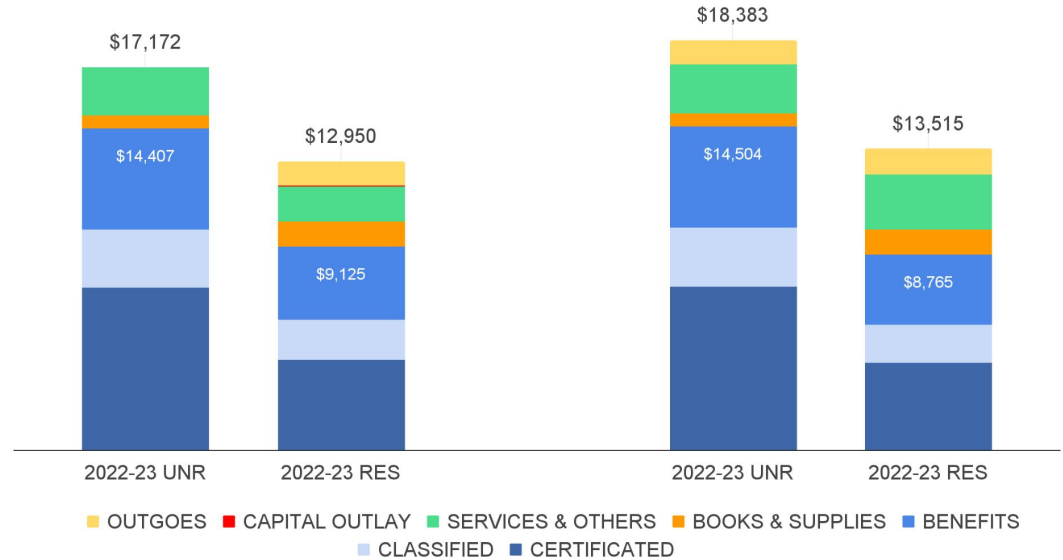
2022-23 Expenses Projection



- Positions readjusted with current staffing
- Additional consulting agreements to cover positions we cannot fill (\$400K in Special Education)
- Drill down in all positions paid from either Supplemental (General Fund) or One-time funds to maximize the timely use of those special funds

Budget

1st Interim

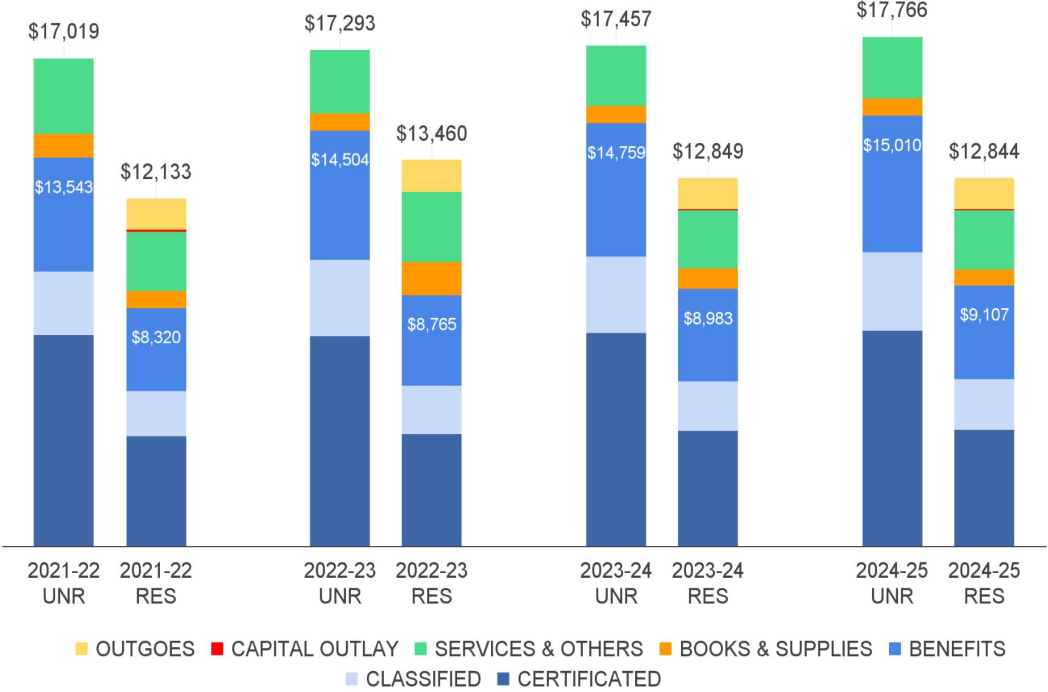


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MYP Expenses Projection

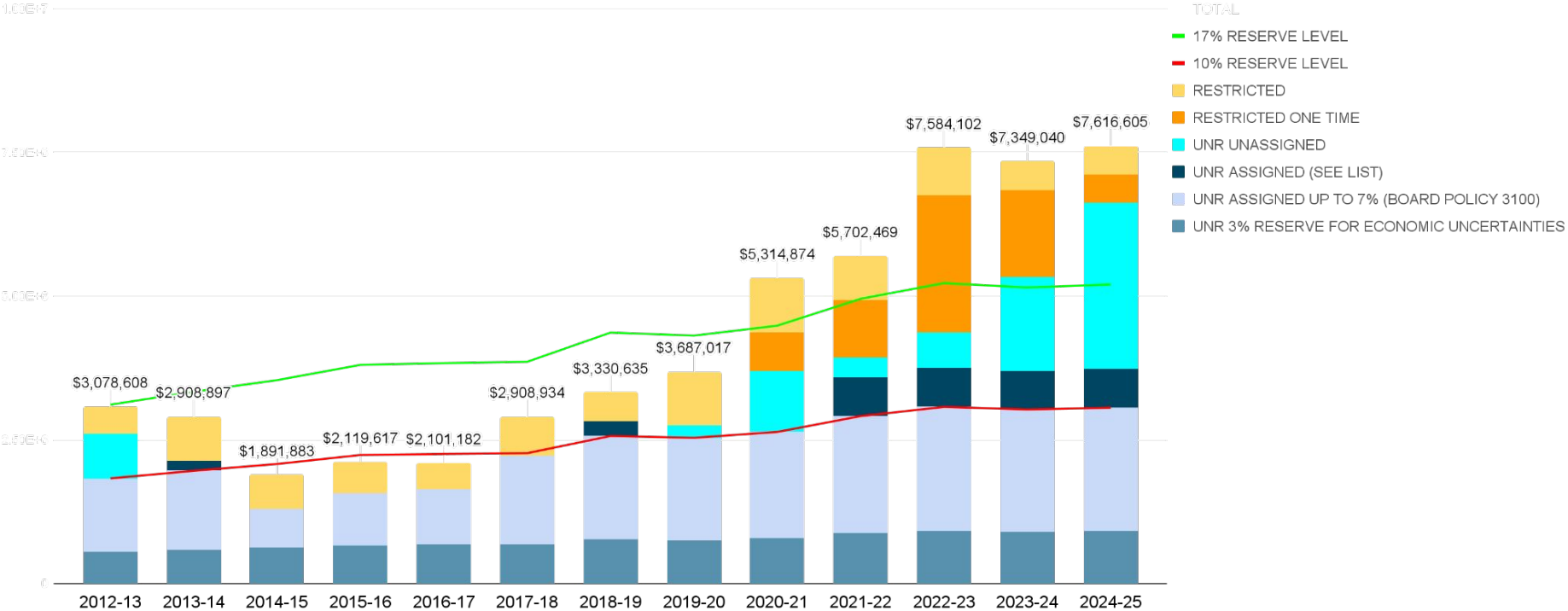


- No salary increase
- 1.5% step&column
- One more school counselor in 2023-24
- Positions paid from One-time funds will eventually be 100% funded out of General Fund in 2025-26
- All non employee other expenses will remain at the same level as this year as 2022-23 + California Consumer Price Index (CPI)



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ENDING FUND BALANCE



Questions?